

Administrative Determination (AD)
Documentation of Land Use Plan Conformance and NEPA Adequacy (DNA)
U.S. Department of the Interior - Bureau of Land Management
Anchorage Field Office

A. BLM Office: Anchorage Field Office **Lease/Serial Case File No.:** A-028083

Proposed Action Title/Type: Drilling of a Natural Gas Well

Location of Proposed Action: Section 33, T. 7 N., R. 10 W., Seward Meridian

Description of the Proposed Action:

Marathon Oil Company is proposing to drill Beaver Creek #15 91' from the south line (FSL), 1,443' from the east line (FEL) within Section 33, T. 7 N., R. 10 W., S.M. in the Kenai Peninsula Borough. The U.S. Fish and Wildlife Service (USF&WS) is the surface management agency and surface owner, while the minerals are under the jurisdiction of the Bureau of Land Management (BLM). The estimated well depth will be around 8,800'. The Surface Use Plan states that existing roads will be used to access the Beaver Creek #15 (BC #15) well site. No new roads will be required or constructed to access the BC #15 well. The well will be drilled on a preexisting pad, Beaver Creek 1A (BC 1A). BC #15 will use existing production facilities and will require only the addition of a new flow line, line heater, separator skid and meter. An existing water supply for mixing the drilling fluids, etc. exists on the pad being used for drilling the BC #15 well. No new pad construction is planned on the pad.

Mud and cuttings will be dewatered on location. The cuttings and excess mud will be hauled to Pad 41-18 in the Kenai Gas Field for disposal into Well KU 24-7 (Class II disposal well, AOGCC Disposal Injection Order No.9, Permit #81-176). All household garbage and approved industrial garbage will be hauled to the Kenai Peninsula Borough Soldotna Landfill. Clear fluids will be injected into approved disposal wells Beaver Creek #2 (Alaska Oil and Gas Conservation Commission Disposal Injection Order No. 4) or hauled to Pad 34-31 of the Kenai Gas field and injected in Well WD #1, an approved disposal well (AOGCC Permit #7-194). Unused chemicals will be returned to the vendors that provided them. Efforts will be made to minimize the use of all chemicals. Sewage and wastewater will be collected in steel holding tanks and hauled to a Kenai sanitation facility for disposal.

A minimal camp will be established on the pad, housing various supervisory and service company personnel. Approximately four trailer house type structures will be required for this purpose. Bottled water will be used for human consumption. Potable water will be obtained from the existing water well on the pad. Sanitary wastes will be collected and transported to an ADEC approved disposal facility.

Applicant (if any): Marathon Oil Company

B. Conformance with the Land Use Plan (LUP) and Consistency with Related Subordinate Implementation Plans:

The BLM has not developed a land use plan for surface or subsurface oil and gas development in the Kenai Peninsula area. The USF&WS has identified and described oil and gas development in this area in the KNWR Comprehensive Conservation Plan (1985).

The Proposed Action is nearly identical to the Proposed Action described in AK-040-EA98-011. This EA (AK-040-EA98-011) addressed the impacts of drilling the BC-10 well. The FONSI/Decision Record was signed on March 20, 1998. The BC-10 was nearly identical to this proposal. It was drilled about 4,000' feet north and east of the proposed location for the BC-15 well. The impacts are assumed to be identical. Therefore, AK-040-EA98-011 provides a basis for a decision on the proposal in accordance with federal regulations (Title 43 CFR Part 1610.8(b)(1)).

C. Identify applicable NEPA documents and other related documents that cover the Proposed Action.

Environmental Assessment AK-040-EA98-011, dated February, 1998 and the associated FONSI adequately cover all environmental issues associated with the drilling of an additional well on Pad BC-1A: Application for Permit to Drill, Marathon Oil Company, Beaver Creek Unit (BC-15), 9/22/04.

D. NEPA Adequacy Criteria

1. Is the current Proposed Action substantially the same action (or is a part of that action) as previously analyzed? Is the current Proposed Action located at a site specifically analyzed in an existing document?

The Proposed Action is essentially the same action (drilling a natural gas well within the Beaver Creek Unit) as outlined within AK-040-EA98-011. The location of the current Proposed Action is in the same Township and Range as outlined in the aforementioned EA. It is, however, southwest of Pad 3 in Section 34, where the original activity took place. The current activity will take place on Pad 1A, located in the southeast quarter of Section 33.

2. Is the range of alternatives analyzed in the existing NEPA document(s) appropriate with respect to the current Proposed Action, given current environmental concerns, interests, and resource values?

The alternatives analyzed in the referenced EA were to 1) allow drilling activity to take place and 2) deny drilling activity from taking place. Even though the EA was signed six years ago, the environmental issues and concerns have not changed.

3. Is the existing analysis valid in light of any new information or circumstances?

The following critical elements have been analyzed and will not be affected:

- Air Quality
- Areas of Critical Environmental Concern
- Environmental Justice
- Farmlands (Prime or Unique)
- Floodplains
- Native American Religious Concerns
- Wastes (Hazardous or Solid)
- Water Quality (Drinking or Ground)
- Wetlands/Riparian Zones
- Wild and Scenic Rivers
- Wilderness

Cultural Resources; Invasive Non-Native Species; T& E Species; and Subsistence have all been analyzed and will not be affected. Compliance and Determination Reports have been submitted and are filed with AK-040-04-DNA-041. The USF&WS comments will also be included for review with this document.

4. Do the methodology and analytical approach used in the existing NEPA document(s) continue to be appropriate for the current Proposed Action?

The methodology and analytical approach utilized in AK-040-EA98-011 is consistent with that which is outlined in the proposed action.

5. Are the direct and indirect impacts of the current Proposed Action substantially unchanged from those identified in the existing NEPA document(s)? Does the existing NEPA document analyze site-specific impacts related to the current Proposed Action?

The direct and indirect impacts identified in the referenced EA are the same as would be anticipated for the Proposed Action. The setting, affected resources, and well location are within roughly 4,000' of the well described in AK-040-EA98-011. The existing EA provides a reasonable basis for making an informed decision on the current Proposed Action.

6. Are the cumulative impacts that would result from implementation of the current Proposed Action substantially unchanged from those analyzed in the existing NEPA document(s)?

The cumulative impacts outlined in AK-040-EA98-011 remain unchanged and are applicable to the current proposed action.

7. Are the public involvement and interagency review associated with existing NEPA document(s) adequate for the current Proposed Action?

The existing EA was written in consultation with the USF&WS, State of Alaska Department of Natural Resources, and State of Alaska Oil and Gas Conservation Commission. The current proposal has also been posted for 30 days with no comments received.

E. Interdisciplinary Analysis:

See the NEPA routing sheet and specialists' worksheets. A copy of the proposal was also provided to the USF&WS. Their representative, Claire Caldes, provided written comments and expressed their desire to have the project approved as proposed.

F. Conclusion

Based on the review documented above, I conclude that this proposal conforms to the applicable land use plan and that the NEPA documentation fully covers the Proposed Action and constitutes BLM's compliance with the requirements of NEPA.

/s/ June Bailey
Anchorage Field Manager

10-07-04
Date